

SENATE BILL 476

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Olr1495

By: **Senators Currie, King, Peters, and Exum**

Introduced and read first time: February 1, 2010

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maintenance of Effort – Penalty**

3 FOR the purpose of waiving the maintenance of effort penalty for a certain fiscal year;
4 requiring certain legislative committees to report to the General Assembly on or
5 before a certain date; providing for the application of this Act; and generally
6 relating to the maintenance of effort penalty.

7 Preamble

8 WHEREAS, The process for waiving the maintenance of effort requirement was
9 established in 1996 and no county had applied for a waiver under that process until
10 fiscal year 2010; and

11 WHEREAS, When the maintenance of effort waiver process was used for the
12 first time in fiscal year 2010, numerous policy issues were identified including the lack
13 of clarity in the factors used to guide the decision of the State Board of Education
14 whether to grant a waiver; and

15 WHEREAS, Significant policy issues were also identified regarding the
16 appropriate penalty for not meeting the maintenance of effort requirement; now,
17 therefore,

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That, notwithstanding any other provision of law, for fiscal year 2010
20 only, the penalty provision under § 5–213 of the Education Article may not be applied
21 to any State aid increase provided under § 5–202 of the Education Article.

22 SECTION 2. AND BE IT FURTHER ENACTED, That the Senate Budget and
23 Taxation Committee and the House Ways and Means Committee shall study the
24 appropriate calculation of the penalty for failing to meet the maintenance of effort
25 requirement and the appropriate party against whom the penalty should be applied.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 On or before December 31, 2010, the committees shall report their findings and
2 recommendations to the Legislative Policy Committee, in accordance with § 2-1246 of
3 the State Government Article.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to
5 any penalty that would otherwise be imposed for not meeting the maintenance of
6 effort requirement in fiscal year 2010.

7 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 June 1, 2010.